

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

**UNITED STATES SECURITIES  
and EXCHANGE COMMISSION,**

**Plaintiff,**

**V.**

**NORTEL NETWORKS CORPORATION and  
NORTEL NETWORKS LIMITED,**

**Defendant.**

**UNITED STATES SECURITIES  
and EXCHANGE COMMISSION,**

**Plaintiff,**

V.

FRANK A. DUNN, et al.,

**Defendant.**

## THE DISTRIBUTION AGENT'S TWENTY-EIGHTH PROGRESS REPORT

Garden City Group, LLC (“GCG”), the Court-appointed Distribution Agent<sup>1</sup> in the above-captioned matter, respectfully submits this Twenty-Eighth Progress Report, pursuant to

<sup>1</sup> GCG was appointed on November 3, 2009. Docket Entry 33.

the Distribution Plan (the “Plan”)<sup>2</sup> approved by this Court. Pursuant to section 8.2 of the Plan, the Distribution Agent was required to submit a progress report within 45 days of entry of the Plan, and file additional reports 20 days after the end of every quarter thereafter. This Twenty-Eighth Progress Report covers the period from April 1, 2018 through June 30, 2018.

**Tasks Performed by the Distribution Agent  
Since the Twenty-Seventh Progress Report**

From April 1 to June 30, 2018, GCG has performed the following tasks in connection with the implementation of the Court-approved Plan:

- On June 5, 2018, the SEC filed its motion for approval of the second disbursement with the Court. The Court approved the motion on June 7, 2018. In preparation for the second disbursement, GCG discussed with Miller Kaplan and performed limited tax form outreach in an effort to solicit tax forms.
- GCG continues to monitor a case-specific website for this administration ([www.nortelsecsettlement.com](http://www.nortelsecsettlement.com)), and as of June 30, 2018, there were 250,541 unique visitors to the website;
- GCG continues to host and monitor the telephone helpline with an Interactive Voice Response platform, pursuant to section 3.16(g) of the Plan. As of June 30, 2018, GCG received 110,082 calls to the hotline and of these, 4,935 people requested a return phone call, which requests were promptly handled;
- GCG continues to monitor the settlement email box for this matter ([questions@nortelsecsettlement.com](mailto:questions@nortelsecsettlement.com)). As of June 30, 2018, GCG received and responded to 8,061 email inquiries.

**Anticipated Next Steps**

In the next quarter, GCG will carry out the terms of the Plan, including:

- GCG will conduct the second disbursement;
- Pursuant to section 8.2 of the Plan, GCG will file the next progress report within 20 days after the end of the next quarter; and

---

<sup>2</sup> All capitalized terms not otherwise defined in this document shall have the meanings provided in the Distribution Plan. The Plan was approved by the Court on October 6, 2011. Docket Entry 42.

- Perform any other tasks as necessary to administer the Fair Fund.

**Location of Fair Fund and Disbursements  
from the Fair Fund During the Quarterly Period**

The proceeds of the Fair Fund in this matter are currently in an escrow account at Signature Bank and are invested in short-term United States Treasury securities.

As of June 30, 2018, \$2,717,428.11 remains in the escrow account, comprised primarily of uncashed or undistributed funds. In addition, \$1,969,236.22 received from the Canadian Bankruptcy trustee is on deposit with the SEC. Accordingly, the total balance of the Fair Fund is \$4,686,664.33.

Pursuant to section 8.2 of the Plan, an interim accounting of all monies in the Fair Fund will be filed with the Court shortly.

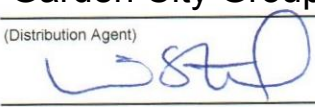
Dated: July 20, 2018

Respectfully submitted,

By: \_\_\_\_\_



Lorri Staal  
Garden City Group, LLC  
Distribution Agent  
1985 Marcus Ave.  
Lake Success, NY 11042

Section	Line	QUARTERLY CASH REPORT for Nortel SEC Fair Fund	
A	1	DISTRIBUTION FUND	
	2	SEC Action Number: Case No. 07-cv-2058 (LAP)	
		Period Covered in this Report:	
	3	From 04/01/18	
	4	To 06/30/18	
B		Bank Account Balance(s) Beginning of Quarter	\$ 2,710,093.20
C		Funds Received	
	1	From SEC or Court	\$ -
	2	Interest Earned	\$ 7,301.91
	3	Returned Funds	\$ -
	4	Tax Refund	\$ \$33.00
	5	Other - describe	\$ -
		Subtotal Funds Received	\$ 7,334.91
D		Disbursements	
*	1	Payments to Claimants during this Quarter	\$ -
		Payments to Other than Claimants/Investors:	
	2	Distribution Agent Fees	\$ -
	3	Distribution Agent Expenses	\$ -
	4	Tax Administrator Fees and Expenses	\$ -
	5	1042S Tax Withholding Funding Disbursement	\$ -
	6	Other - describe	\$ -
		Subtotal Disbursements	\$ -
E		Bank Account Balance(s) End of Quarter	<u>\$ 2,717,428.11</u>
F	1	End of Quarter Balance(s) by Account	
		Signature Bank Account ending - 9396	\$ \$2,717,428.11
	2	Total Bank Account Balance(s)	\$ 2,717,428.11
	3	Less Outstanding Checks	\$ -
**	4	Available Funds - End of Quarter	<u>\$ 2,717,428.11</u>
G		Fund Information Footnote: Tranches from Inception	
		<u>Distribution Date</u> <u># of Distribution Payments Issued</u> <u>Total Issued</u>	
		June 11, 2015      117,079      \$ 31,332,506.63	
H		Prepared by:	
	1	Garden City Group, LLC	
		(Distribution Agent)	
	2		Lorri Staal
		(signature)	(printed name)
	3	Assistant Vice President	7.20.18
		(title)	(date)

\* These are either initial distribution checks that were cashed, or uncashed/undeliverable checks that were reissued.  
 \*\* The remaining funds consist of returned funds, interest earned, and the unused portion of the reserve for tax fees and expenses.